

**Agenda No. 11 To acknowledge the listing of PM Thoresen Asia Holdings Ltd. on the Stock Exchange of Thailand.**

**Information Memorandum on the Listing of PM Thoresen Asia Holdings Ltd.  
on the Stock Exchange of Thailand**

PM Thoresen Asia Holdings Ltd. (“**PMTA**”), a wholly owned subsidiary of Thoresen Thai Agencies Public Company Limited (“**TTA**” or the “**Company**”), is preparing for submitting the Application for Sale of Newly Issued Shares and Filing of Registration Statement and the Draft Prospectus to the Office of the Securities and Exchange Commission (the “**SEC**”) (the “**Listing Plan**”), subject to relevant laws and regulations. Any significant progress of the listing plan shall be notified during a later stage.

PMTA currently invests in 100% of Baconco Co., Ltd. (“**Baconco**”). The listing of PMTA is the Company’s strategic plan to create a solid financial platform to support future growth for Baconco and to reflect its market value, currently embedded in TTA’s investment portfolio. Baconco is Vietnam’s No. 2 high-quality NPK fertilizer producer in terms of production, and No.1 in terms of profitability. Baconco also participates in factory area leasing business due to its strategic location in Phu My I industrial estate.

In connection with the Listing Plan, PMTA has a plan to increase its share capital from Baht 931,000,000, divided into 93,100,000 ordinary shares at a par value of Baht 10.0 per share, to Baht 1,012,000,000, divided into 101,200,000 ordinary shares at a par value of Baht 10.0 per share. The newly issued 8,100,000 ordinary shares together with the existing 27,320,000 ordinary shares currently held in PMTA by TTA shall be offered in the following manner:

1. No more than 35,420,000 ordinary shares shall be offered to the shareholders of TTA based on shareholding percentage (Pre-emptive rights).
2. The shareholders of TTA shall have the right to oversubscribe to shares and oversubscription shares may be allocated to such oversubscribing shareholders only when there are shares left after allocation to all shareholders who have subscribed to shares proportionately to their shareholding percentage.
3. Any shares left after allocation to the shareholders of TTA shall be offered to public at the same offering price.

As a percentage of paid-up share capital after the offering of shares, these newly issued ordinary shares and existing ordinary shares currently held in PMTA by TTA account for 8% and 27% respectively. The Company’s equity in PMTA will be correspondingly reduced from 100% at the present to 65% of paid-up share capital upon completion of the offerings.

The offering of shares to persons described above is considered a disposal of assets by a listed company in accordance with the Notification of the Capital Market Supervisory Board No. TorChor 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets, and the Notification of the Board of Governors of the Stock Exchange of Thailand No. Bor.Jor./Por. 21-01 Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets B.E. 2547. The value of this transaction is lower than 15% as determined by the Net Tangible Asset method. Therefore, the Company is not required to report and disclose the transaction, and the approval of the shareholders for the matters is also not required.

In addition, the Meeting that was held on 18 December 2013 resolved that the Executive Committee or designated persons be authorized to determine the following: the shareholders' pre-emptive rights to oversubscribe for PMTA's ordinary shares; the record date for determining a list of shareholders entitled to the share allocation; the share register book closing date for collecting the eligible shareholders' names in accordance with section 225 of the Securities and Exchange Act; and all other relevant matters. The Executive Committee or designated persons is also empowered to take any actions to ensure the completion of the allocation of PMTA's shares to the Company's shareholders.

The Company also plans to propose to the Annual General Meeting No. 1/2014 (the "AGM") to acknowledge the Listing Plan of PMTA on the SET. Details of the transactions are set out as follows:

### **1. Transaction date**

PMTA will apply to be listed on the SET through the offering of newly issued shares together with the offering of existing shares currently held by TTA to the shareholders of TTA based on shareholding percentage (Pre-emptive rights), with the unsubscribed portion being offered to public (if any), at the same offering price. The offering of shares to persons described above is subject to the relevant approvals from the Office of the Securities and Exchange Commission (the "SEC"), which are expected to be in 2014.

### **2. Related parties**

Seller: 1. PM Thoresen Asia Holdings Ltd.; and

2. The Company

Purchaser: The shareholders of TTA based on shareholding percentage (Pre-emptive rights) with oversubscription rights, where the unsubscribed portion by the shareholders of TTA will be offered to public at the same offering price.

### **3. General Characteristic of the Transaction**

PMTA will apply to be listed on the SET in order to raise funds in line with its future business plan. PMTA as such has a plan to increase its existing share capital from Baht 931,000,000, divided into 93,100,000 ordinary shares at a par value of Baht 10.0 per share, to Baht 1,012,000,000, divided into 101,200,000 ordinary shares at a par value of Baht 10.0 per share. The newly issued 8,100,000 ordinary shares together with the existing 27,320,000 ordinary shares currently held in PMTA by TTA shall be offered to the shareholders of TTA based on shareholding percentage (Pre-emptive rights), with the unsubscribed portion being offered to public (if any), at the same offering price. The Company's equity in PMTA will be reduced from 100% currently to 65% of paid-up share capital upon completion of the offerings.

#### Calculation Bases (Baht in millions or otherwise stated):

- |                              |   |  |
|------------------------------|---|--|
| 1. Net Tangible Assets (NTA) | = | NTA of PMTA proportionally disposed off / NTA of the Company   |
|                              | = | $(35\% \times 1,038.7) / 23,754.5^{1/}$  |
|                              | = | 1.5%   |
| 2. Net Profits               | = | Not applicable due to the Company generating net losses for the fiscal year ending 30 September 2013 |

3. Total Value of Considerations = Total value of considerations / Total assets of the Company  
= (Par value of Baht 10.0 per share x 35,420,000 shares) / 43,091.4<sup>2/</sup>  
= 0.8%
4. Value of securities = Not applicable

Remark: <sup>1/</sup>NTA of PMTA is referred in proportion to total shareholders' equity as reported on the special purpose financial statements of Baconco Co., Ltd for the fiscal year ending 30 September 2013 under the Thai GAAP, which is the only core subsidiary of PMTA

<sup>2/</sup> Since the offering price has yet to be determined and PMTA to date has no significant business activities as of 30 September 2013, the value of shares offered is based on the par value of Baht 10.0 per share of PMTA

From the above calculation, the NTA method shows the highest result, that is, the transaction size is equal to 1.5percent, meaning that the value of the transaction is less than 15.0 percent. Therefore, according to the Notification of the Board of Governors of the Stock Exchange of Thailand No. Bor.Jor./Por. 21-01 Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets B.E. 2547, the shareholders' approval is not required. However, the Company still has a duty to disclose the information memorandum pursuant to the Regulation of the Stock Exchange of Thailand No.Bor.Jor./Por. 11-00 Re: Rules, Conditions and Procedures Governing the Disclosure of Information and Other Acts of a Listed Company stipulated in items 3(12), as the Company has reduced its stake from 10.00 percent of the paid up capital of the investment company.

#### Indicative Details relating to the Disposed Assets

##### Details relating to the offering of shares

Type of the offered securities	:	Consisting of (a) ordinary shares newly issued by PMTA and (b) the existing ordinary shares currently held in PMTA by TTA
Number of the offered shares	:	The newly issued ordinary shares of not exceeding 8,100,000 shares together with the existing ordinary shares of not exceeding 27,320,000 shares currently held in PMTA by TTA offered to the shareholders of TTA based on shareholding percentage (Pre-emptive rights) with oversubscription rights, where the unsubscribed portion by the shareholders of TTA will be offered to public at the same offering price.  As a percentage of paid-up share capital after the offering of shares, these newly issued ordinary shares and existing ordinary shares currently held in PMTA by TTA account for 8% and 27% respectively.
Par value	:	Baht 10.0 per share
Offering price	:	Currently not determined
Offering period	:	Currently not determined

Details relating to PMTA

Name	:	PM Thoresen Asia Holdings Ltd.
Head Office	:	26/22-23Orakarn Building, 7 <sup>th</sup> Floor, Soi Chidlom, Ploenchit Road, Kwaeng Lumpinee, Khet Pathumwan, Bangkok 10330, Thailand
Nature of business	:	A holding company
Capital structure	:	Present : the registered capital is Baht 931,000,000 (divided into ordinary shares of 93,100,000 shares at par value of Baht 10.0 per share) After share capital increase : the registered capital shall be Baht 1,012,000,000 (divided into ordinary shares of 101,200,000 shares at par value of Baht 10.0 per share)
Subsidiaries	:	<p>PMTA is principally engaged as a holding company. The investments made to date by PMTA include 100% equity in Baconco Co., Ltd. and PM Thoresen Asia (Singapore) Pte. Ltd.</p> <p>(1) Baconco Co., Ltd is an international agrochemical company headquartered in Vietnam and principally engaged in production and sale of various fertilizer and crop care protection products. In addition, Baconco Co., Ltd. also provides factory area leasing services.</p> <p>(2) PM Thoresen Asia (Singapore) Pte. Ltd. is a newly acquired business entity mainly to support Baconco's procurement of fertilizer raw material.</p>
Shareholders structure	:	<p><b>Pre-IPO:</b> TTA: 99.9% Others: 0.1%</p> <p><b>Post-IPO:</b> TTA: 65.0% TTA's shareholder through pre-emptive rights and public investors (if any): 35.0%</p>

## Board of Directors of PMTA

No.	Name	Position
1.	Mr. Chalermchai Mahagitsiri	Chairman of the Board of Directors / Chairman of Executive Committee
2.	Mr. Sigmund Stromme	Executive Director / Managing Director
3.	Mr. Chia Wan Huat Joseph	Executive Director
4.	Mr. Krailuck Asawachatroj	Executive Director
5.	Mr. Somboonkiat Kasemsuwan	Independent Director / Chairman of Audit Committee
6.	Assoc. Prof. Dr. Sathit Parniangtong	Independent Director / Member of Audit Committee
7.	Mr. Arild Haugan	Independent Director / Member of Audit Committee

## PMTA's Financial Highlights<sup>1/</sup>

Unit: Baht in millions	2012	2013
Total revenues	3,383.5	3,246.7
Net profits	201.9	264.2
Total assets	1,311.9	1,305.7
Total liabilities	438.9	263.8
Total shareholders' equity	872.9	1,041.9

Remark: <sup>1/</sup> Referred to the financial information reported on the special purpose financial statements of Baconco prepared under the Thai GAAP

### 4. Total Value of Consideration

The Company and PMTA will offer the shares to the shareholders of TTA based on shareholding percentage (pre-emptive rights) with oversubscription rights, where the unsubscribed portion by the shareholders of TTA will be offered to public at the same offering price. The total value of the consideration will depend on the offering price, which is not yet determined. The Company will determine the final offering price after the SEC approval for the offering of shares has been granted.

### 5. Value of Disposed Assets

Since the offering price has yet to be determined and PMTA to date has no significant business activities as of 30 September 2013, the value of disposed shares is based on the par value of Baht 10.0 per share of PMTA multiplied by the sum of newly issued ordinary shares of not exceeding 8,100,000 shares and the existing ordinary shares of not exceeding 27,320,000 shares currently held in PMTA by TTA, which is equal to Baht 354,200,000.

## **6. Expected Benefits or Impact from the Transaction**

- 1) Benefit (or impact) of the transaction to the shareholders of the Company
  - Subscription for shares in PMTA based on shareholding percentage (Pre-emptive rights) enables protection of shareholders' right and compensation for dilution effects on the Company's equity in PMTA that may arise upon completion of the offering
  - Opportunity to invest directly in agrochemical business of Baconco in addition to the whole investment portfolio of TTA
  
- 2) Benefit (or impact) of the transaction to the Company
  - The transaction will benefit TTA in terms of realizing fair market value of Baconco as well as other related businesses which are now privately managed under TTA investment portfolio
  - Listing will provide PMTA with solid financial platform and access to varieties of financial products which will provide financial strengths and flexibilities to support its future business expansions
  
- 3) Benefit (or impact) of the transaction to PMTA
  - Increase the alternative to funding.
  - PMTA has sufficient funding in order to expand the business and be the working capital. This will increase its ability to compete in the future.
  - Increase the value and liquidity of PMTA's common stock.
  - The image of PMTA will be well known

## **7. Effects of the Share Offering on the Company and its Shareholders**

- 1) Effects on the profit sharing and voting rights (Control Dilution)

The newly issued 8,100,000 shares together with the existing 27,320,000 shares currently held in PMTA by TTA cause control dilution to the Company's equity held in PMTA from 100% to 65% or equivalent to 35% control dilution after the offering of shares.

In order to compensate for such control dilution, the shareholders of TTA are eligible to subscribe shares in PMTA based on shareholding percentage in TTA (Pre-emptive rights), with oversubscription rights, where the unsubscribed portion by the shareholders of TTA will be offered to public at the same offering price.

- 2) Effects on the market price of the Company's ordinary shares (Price Dilution)

The offering of shares in PMTA should not impose price dilution effect on the market price of ordinary shares of TTA, due to enhanced valuation visibility of PMTA and its better financial platform as a listed company. However, the reduction in the Company's stake in PMTA will cause the Company's recognition of net profits decrease in the future.

## **8. Plan to Use the Proceeds from the IPO and the Share Sale by the Company**

Since the offering will be a mix of newly issued shares and existing shares currently held in PMTA by TTA, the proceeds will flow into both PMTA and TTA. The proceeds to PMTA raised from the issuance of newly issued shares will be used to fund expansion plan and/or working capital of Baconco. Whereas, the proceeds to TTA rose from the offering of existing shares will be used to fund investments within TTA as well as reserved to pay out dividend to TTA shareholders subject to TTA dividend policy.

## **9. Conditions Precedent for the Transaction**

- 1) The Extraordinary General Meeting of Shareholders of PMTA approves the IPO.
- 2) PMTA registered the capital increase to the Department of Business Development.
- 3) The SEC approves the IPO proposed by PMTA.
- 4) The SET agrees to list securities issued by PMTA.

## **10. Opinion of the Company's Board of Directors**

The Board of Directors took the view that this transaction is reasonable since the transaction will enhance the stability of PMTA and enable PMTA to raise funds through the capital market on its own for the expansion of its business. Furthermore, the value of the Company's investment in PMTA will be appreciated.

Yours faithfully,  
**Thoresen Thai Agencies Public Company Limited**

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Mr. Chalermchai Mahagitsiri  
Executive Vice Chairman

- signed -

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Mr. Krailuck Asawachatroj  
Executive Vice President  
Corporate Finance and Accounting